

Housing Opportunities for Persons with AIDS (HOPWA) Program

Commonwealth of Virginia (Non-Eligible Metropolitan Areas)

Program Guidelines **Program Year 2007-08**



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Department of Housing and Community Development

Housing Opportunities for Persons with AIDS Program (HOPWA)

Virginia Program Guidelines for HOPWA Project Sponsors Receiving Funds from DHCD

Program Year 2007-08
Revised August 2007

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This document contains a program guide outlining federal regulations and requirements governing the HOPWA program in the event funding is secured.

Table of Contents

A) Purpose	3
B) Background	3
C) Eligibility of Persons Assisted	4
D) Eligible Activities	5
E) Ineligible Activities	6
F) Project Sponsor.....	7
G) Important References/Sources	11

A) Purpose

The purpose of this guidelines booklet is to give guidance to new, existing, and potential project sponsors receiving funding from the Housing Opportunities for Persons With AIDS (HOPWA) program. A project sponsor is the eligible service provider that receives HOPWA funding through the Commonwealth of Virginia to administer eligible HOPWA assistance to clients.

This guidelines booklet is intended to provide guidance specifically for service providers that are outside of designated Virginia Eligible Metropolitan Statistical Areas (EMSAs). Areas outside of EMSAs comprise the Balance of State – the areas for which DHCD provides HOPWA funding. Service providers operating within the boundaries of Virginia's three designated metropolitan areas of the Northern Virginia area, Richmond area, and Virginia Beach area should contact the lead organization of their respective metropolitan area to get the appropriate program guidance. Please refer to Section G of the guidelines for listings of jurisdictions within DHCD HOPWA funding areas as well as for listings of jurisdictions not included in DHCD HOPWA funding areas.

B) Background

The Housing Opportunities for Persons With AIDS (HOPWA) program was authorized by the National Affordable Housing Act of 1990 and revised under the Housing and Community Development Act of 1992, to provide States and localities with the resources and incentives to devise and implement long-term comprehensive strategies for meeting the housing needs of low-income persons with acquired immunodeficiency syndrome (AIDS) and related diseases, and their families. Activities of primary importance are providing housing and services that assist this population to obtain and maintain affordable housing where they can maintain complex medication regimens and address HIV/AIDS related problems.

Funds are appropriated annually by Congress to the U.S. Department of Housing and Urban Development (HUD) for administration of this program. HOPWA funds are then awarded by formula to eligible States and Eligible Metropolitan Statistical Areas (EMSAs) that meet the minimum number of cumulative AIDS cases. States and metropolitan areas coordinate use of HOPWA funds with their respective Consolidated Plan, a collaborative process whereby the state or metropolitan area establishes a unified vision for community development actions.

As an eligible state, the Commonwealth of Virginia receives a HOPWA formula grant, administered by the Department of Housing and Community Development (DHCD). Thereby, DHCD grants these HOPWA funds to eligible project sponsors (that operate outside the state's EMSAs) following an application process. These project sponsors administer housing and supportive services locally, providing assistance to persons with HIV/AIDS and families and supporting HUD's HOPWA program goals.

C) Eligibility of Persons Assisted

- i) **Eligible Person.** Eligible person means a person with acquired immunodeficiency syndrome (AIDS) or tested to be seropositive for human immunodeficiency virus (HIV) who is also an individual with low income (not earning in excess of 80 percent of the median income for the area, as defined in Title 24 Code of Federal Regulations Section 574.3) and the person's family.
 - a. A family is defined as two or more related persons or one or more eligible persons living with another person or persons who are determined to be important to their care or well-being.
 - b. Surviving member(s) of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his or her death are also eligible for limited assistance.
 - c. A person with AIDS or related diseases or a family member regardless of income is eligible to receive housing information services, as described in §574.300(b)(1).
 - d. Any person living in proximity to a community residence is eligible to participate in that residence's community outreach and educational activities.
- ii) **Required documentation** for eligibility of client:
 - a. Documentation of HIV seropositivity or diagnosis of AIDS, as determined by a laboratory report, doctor's statement, or hospital discharge summary.
 - b. Documentation that client and family are low-income, as measured as earning not in excess of 80 percent of area median income over a 12-month period (See Appendix – 2007 Income Limits). (Also, see Appendix - Income Exclusions). Income must be verified by one or more of the following:
 - i. Check stubs or earning statements
 - ii. Employer verification
 - iii. W-2 form
 - iv. Statements or letter from Social Security, Supplementary Security Income, Disability Income, Veterans Benefits, or Retirement/Pension
 - v. Unemployment records
 - vi. Divorce decree
 - vii. Current bank statements
 - viii. Income tax returns

D) Eligible Activities

Virginia's HOPWA funds specifically focus on filling housing and supportive services gaps not covered by other mainstream community resources. If other resources cannot aptly cover all the housing and supportive service needs of low-income residents with HIV/AIDS and their families, then HOPWA funds may be utilized. Ultimately, HOPWA funds help clients achieve housing stability in order to focus on issues such as maintaining good health and adhering to medication regimens.

While HUD provides that HOPWA funds may be used for acquisition, rehabilitation, and related building construction expenses, these activities are not currently HOPWA priorities under the FY 2007-08 Commonwealth of Virginia Consolidated Plan and Action Plan (See Section G of guidelines). Additionally, project sponsors MAY NOT allocate more than 35 percent of their HOPWA funding towards supportive services. Spending in this area will be monitored during the upcoming Consolidated Planning process, as stated in the Consolidated Plan. Project sponsors are encouraged to utilize and coordinate HOPWA funds with mainstream resources.

The following are activities supported by the HOPWA program:

- 1) **Project- or tenant-based rental assistance**, including assistance for shared housing arrangements (§574.300(b)(5))
 - a. Appropriate supportive services must be provided to tenants.
 - b. Housing must meet applicable state and local housing quality standards, as described in §574.310(b). Please see “Calculating Fair Market Rent for 2007” and “2007 Virginia Income Limits” in Section G of the guidelines for assistance in calculating rent for housing activities under the HOPWA program.
- 2) **Short-term rent, mortgage, and utility assistance (STRMU)**
 - a. STRMU assistance may be provided to a tenant for a total accrued period of not longer than 21 weeks during any 52-week period.
 - b. Housing must meet applicable state and local housing quality standards, as described in §574.310(b).
 - c. Appropriate supportive services must be provided to tenants.
 - d. Additionally, please refer to Notice: CPD 06-07 found in Section G of guidelines for specific HUD guidance on STRMU assistance.
 - e. Please see “Calculating Fair Market Rent for 2007” and “2007 Virginia Income Limits” in Section G of the guidelines for assistance in calculating rent for housing activities under the HOPWA program.
- 3) **Housing information services**
 - a. Services may include, but are not limited to counseling, information, and referral services to assist an eligible person to locate, acquire, finance, and maintain housing.
 - b. May include fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or handicap.

4) Resource identification

- a. Includes identifying resources to establish, coordinate, and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives).

5) Supportive services

- a. Must be provided to HOPWA clients in conjunction with housing assistance, pursuant to §574.310(a).
- b. Includes, but not limited to, health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required.
- c. MAY NOT utilize in excess of 35 percent of total HOPWA funds used per project sponsor (note: spending must be per approved budget).
- d. Assistance in gaining access to local, State, and Federal government benefits and services, except that health services may only be provided to individuals with acquired immunodeficiency syndrome or related diseases and not to family members of these individuals.

6) Operating costs (facility-based)

- a. May include operating housing costs of maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs.
- b. Operating costs do not include other non-housing-related costs such as grooming, clothing, or entertainment activities (please refer to Notice: CPD 06-07 in Section G of guidelines).

7) Technical assistance

- a. Costs related to community outreach and educational activities regarding AIDS or related diseases for persons residing in proximity to the community residence.

8) Administrative expenses

- a. Each project sponsor receiving amounts from HOPWA grants may use not more than 7 percent of the amounts received for administrative costs, as pursuant to §574.310(10)(ii). (Note: spending must be per approved budget).

Notes:

- Please refer to 24 CFR 574 (referenced in Section G of guidelines) for more detailed regulations on eligible activities.

E) Ineligible Activities

- 1) Project sponsors may not utilize HOPWA funds in excess of 35 percent of their total allocation for supportive services.
- 2) HOPWA funds may not be used to fund activities covered by other sources.
- 3) Funds MAY NOT be used for populations other than the prescribed targeted population identified under the Title 24 Federal Code of Regulation Part 574.

- 4) Due to the fact that HOPWA emphasizes housing, applicants must take all measures to identify other resources for the purchase of HIV/AIDS medication prior to the use of HOPWA funds. HOPWA funds should be the last resort. HOPWA can only provide medical assistance to HOPWA eligible individuals (not family members), and it requires a case-by-case documentation that there are no other resources available for this purpose for the assisted client.
- 5) Funds MAY NOT be used for subsidizing mortgages for clients receiving Tenant-Based Rental Assistance or Permanent Housing assistance.
 - a. However, clients receiving STRMU can receive mortgage assistance (within 21-week limit) for costs within the mortgage agreement.
- 6) Ineligible administration costs includes:
 - a. The Development of staff professional credentials,
 - b. General government expenses (e.g., building cost),
 - c. The substitution for general funds, and
 - d. Tasks duplicated by the grantee (state) and project sponsor.
- 7) Project sponsors MAY NOT charge any fee to eligible persons, except rent, for any housing activity or services provided by HOPWA funds.
- 8) Operating costs (facility-based) do not include non-housing-related costs such as grooming, clothing, or entertainment activities (please refer to Notice: CPD 06-07 in Section G of guidelines).

F) Project Sponsor

1) Eligibility

- a. Project sponsors may be nonprofit organizations or governmental housing agencies that apply for HOPWA funds through DHCD.
- b. Project sponsors that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for HOPWA funding, pursuant to the Consolidated Plan.

2) Record Keeping

- a. The project sponsor must maintain and make available to HUD for inspection upon request financial records sufficient, in HUD's determination, to ensure proper accounting and disbursing of amounts received from a HOPWA grant.
- b. Project sponsors must maintain records for a five-year period after the grant term to document compliance with HOPWA program provisions.
- c. Project sponsors must maintain current and accurate data on the race and ethnicity of program participants.

3) Confidentiality

- a. The project sponsor must ensure the confidentiality of the name of any individual assisted by the HOPWA program and any other information regarding individuals receiving assistance.

4) Reporting

- a. Quarterly Performance Report: Project sponsors will need to complete a Quarterly Performance Report with program beneficiary data and program expenditures in order to comply with the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System (IDIS).
- b. Annual Progress Report: In addition, Project sponsors will be asked to submit an Annual Progress Report for the HOPWA Program to DHCD no later than 90 days after the end of the program year.
- c. Failure to comply with reporting requirements may result in the suspension of HOPWA funding.

5) Audit

- a. Annual Audit: Each project sponsor must submit an audit annually to DHCD as available.

6) Monitoring

- a. Monitoring Visit: DHCD reserves the right to conduct monitoring visits to each project sponsor as needed (visits may be scheduled based on project sponsor performance, fiscal reporting, program reporting, or other areas of concern).
- b. Accurate Record-Keeping: It is important that full and accurate information is gathered and maintained about expenditure of funds, program activities, services provided, housing outcomes achieved, and demographic data of clients receiving HOPWA funds. Record-keeping may be monitored upon monitoring visit. Additionally, all grantees must maintain accurate client records and documentation. Client files will generally be reviewed carefully during an on-site monitoring visit.

7) Certifications and Other Requirements

- a. Recertification
 - i. Project sponsors that have fallen out of compliance with HOPWA program regulations will be subject to fulfilling necessary obligations as deemed by DHCD to rectify non-compliance, and thereby bring about a recertification of compliance.
- b. Nondiscrimination and Equal Opportunity Requirements:
 - i. Fair Housing Requirements and Executive Order 11246
 - 1. During the program year, project sponsors must conduct a minimum of one activity to further fair housing procedures
 - 2. See Section G for fair housing requirements. Please note that attending a fair housing workshop or seminar may not be used in successive years.

- ii. Affirmative Outreach
 - 1. Project sponsors must adopt procedures to ensure that all persons who qualify for the assistance, regardless of their race, color, religion, sex, age, national origin, familial status, or handicap, know of the availability of the HOPWA program.
 - 2. Evidence of outreach efforts is required despite the presence of a waiting list for HOPWA services, to ensure that access to services is not exclusionary. This federal requirement may be found at 24 CFR Part 574.603 “Nondiscrimination and equal opportunity.”
- c. Rental assistance must meet federal standards for rent assistance (24 CFR 574.320). Rent standard shall be established and documented by the project sponsor and shall be no more than the published section 8 fair market rent or HUD-approved community-wide exception rent for the unit size. The rent charge for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for compared unassisted units. Reasonable rents should be determined by an appropriate and documented methodology.
- d. Federal lead-based paint provisions (24 CFR Part 35) apply to all rental assistance provided through this funding agreement. These provisions include initial and periodic visual inspections to identify deteriorated paint. These will be conducted by a trained inspector acting on behalf of the Project Sponsor. The unit owner is required to stabilize deteriorated paint in accordance with 35.1330 (a) and (b) before commencement of occupancy. Project sponsors must refer to (24 CFR Part 35) for a complete listing of lead-based paint requirements. Project sponsors will assure that initial and periodic visual inspections of properties are conducted by a trained inspector. All dwellings that will be occupied by tenants are subject to federal lead-based paint provisions. Please see the HUD link for lead-based paint visual assessment training:
<http://www.hud.gov/offices/lead/training/visualassessment/h00200.htm>.
- e. Environmental Requirements
 - i. Environmental standards under National Environmental Policy Act (NEPA) and Council on Environmental Quality (CEQ) apply to all activities under the HOPWA program (§574.510).
- f. Grievance Policy
 - i. Background: The formal process for terminating assistance is required through the Housing and Community Development Act of 1992. Failure to enforce this federal requirement will result in the deobligation of funds.
 - ii. Formal Policy: DHCD requires each project sponsor to have a formal process for terminating assistance to an individual or family (as supported by §574.310(e)).

- iii. Appeals Procedure: At a minimum, there must be an appeals procedure with one level of administrative review for consumers who have HOPWA services terminated or become ineligible for HOPWA services for any reason.
- iv. Notification in Writing: Consumers must be informed in writing of the appeals procedure at intake. It is the responsibility of any organization receiving HOPWA funds to inform prospective HOPWA consumers of the termination policy and maintain documentation that this policy has been shared during the intake process.
- v. Accommodations for Smaller Programs: Project sponsors with small programs and limited staff may have the Executive Director hear all appeals. At a minimum, someone other than the person who made the initial termination of services must hear any appeal. For project sponsors with larger programs, a procedure allowing for two or more levels of appeal is appropriate and expected.
- vi. Note: DHCD is not an appropriate level of appeal. Any consumer complaints received by DHCD with regard to termination or ineligibility for HOPWA services will be referred back to the organization in question for resolution through their Consumer Grievance Policy.
- vii. Grievance Policy Must Be Filed: Prior to execution of an agreement for HOPWA funds, each prospective project sponsor, will be required to submit a copy of their Consumer Grievance Policy so that it may be placed on file at DHCD.
- viii. Review of Resolutions: Resolution of grievances will be reviewed during audits of program funds.

8) How to Receive HOPWA Funds

- a. Reimbursement: Grant awards will be disbursed on a reimbursement basis.
- b. Monthly or Quarterly Basis: At the preference of the project sponsor, reimbursement requests may be filed with DHCD on a monthly or quarterly schedule.
- c. Required Documentation: With all requests for funds, Project Sponsors must submit the following to DHCD:
 - i. A completed Request for Disbursement form
 - ii. Documentation of program expenditures
 - iii. A completed Integrated Disbursement & Information System (IDIS) Expenditure Summary Report
 - iv. A quarterly report (along with request if requests are on a quarterly basis; or along with every third request if requests are on a monthly basis)

9) Deobligation of Funds

- a. DHCD may deobligate all or a portion of the amounts approved for eligible activities if such amounts are not expended in a timely manner from the date of the signing of the grant agreement, or the proposed

activity for which funding was approved is not provided in accordance with the approved application, Consolidated Plan, or general HOPWA regulations.

- b. The grant agreement may set forth other circumstances under which funds may be deobligated or sanctions imposed.
- c. Note: Under issues involving non-compliance, DHCD will first issue a notice to the project sponsor containing the concerns of non-compliance, the methods in which the project sponsor can correct any issue at hand, and any other relevant information (i.e. timeline for addressing issues, penalties which project sponsor may incur for not addressing issues).

G) Important References/Sources

- 1) Title 24 Code of Federal Regulations Part 574 – “Housing Opportunities for Persons With AIDS”
 - a. This document contains the HUD rules and regulations pertaining specifically to the HOPWA program.
 - b. The regulation may be found at:
http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr574_04.html.
- 2) Commonwealth of Virginia Consolidated Plan & Action Plan (Consolidated Plan)
 - a. For Program Year 2007 (July 1, 2007 – June 30, 2008), the Consolidated Plan may be found at:
http://www.dhcd.virginia.gov/ConPlan/ConPlan_ActionPlan_FY_2007.pdf.
- 3) Virginia Fair Market Rents for 2007
http://www.vhda.com/vhda_com/Template_app.asp?VHDA_COM_PAGE_NAME=VHDAFairMktRents.
- 4) 2007 Virginia Income Limits
 - a. HUD has published the 2007 Income Limits which document maximum levels to qualify as low-income (earning up to 80 percent of median area income), very low-income (earning up to 50 percent of median area income), and extremely low-income (earning up to 30 percent of median area income).
 - b. Link: http://www.huduser.org/Datasets/IL/IL07/va_fy2007.pdf.
- 5) Lead-based Paint Visual Assessment Training
 - a. HUD has issued a required training pertaining to new lead-based paint regulation (24 CFR Part 35, et al.).
 - b. Link:
<http://www.hud.gov/offices/lead/training/visualassessment/h00200.htm>.
- 6) HUD Notice: CPD 06-07
 - a. HUD has issued a notice for guidance in operating short-term rent, mortgage, and utility payments (STRMU) projects under HOPWA.
 - b. Link: <http://www.hud.gov/offices/cpd/lawsregs/notices/2006/06-07.pdf>.

7) National AIDS Housing Coalition

- a. Link: www.nationalaidshousing.org.

8) HUD Monitoring check lists

The following are key monitoring areas for which project sponsors may monitored by DHCD or, by right, HUD:

- a. Overview of HOPWA monitoring techniques. Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-0chapter10.pdf>
- b. Guide for Review of HOPWA Housing, Planning, and Rent Subsidies.
Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-1.pdf>
- c. Guide for Review of HOPWA Facility-based Projects. Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-2.pdf>
- d. Guide for Review of HOPWA Financial Management. Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-3.pdf>
- e. Guide for Review of HOPWA Project Sponsor or Subrecipient Management. Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-4.pdf>
- f. Guide for Review of HOPWA Cost Allowability. Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-5.pdf>
- g. Guide for Review of HOPWA Procurement. Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-6.pdf>
- h. Guide for Review of HOPWA Equipment and Equipment Disposition.
Link below:
<http://www.hud.gov/offices/cpd/library/monitoring/pdf/10-7.pdf>

9) DHCD Contact: Nicole Poulin (804) 371-7113

10) DHCD HOPWA Links:

- a. DHCD provides this guideline book and other HOPWA guidance online:
http://www.dhcd.virginia.gov/HomelessnessstoHomeownership/HIV_AIDS_Housing.htm.

- b. Virginia DHCD HOPWA Funding Areas – Link to map below:
http://www.dhcd.virginia.gov/HomelessnessstoHomeownership/PDFs/HOPWA_fund_area.pdf.

